

Thank you Co-Chairs Darling and Nygren and members of the committee. It is good to be here and I appreciate the opportunity to talk about the Governor's budget proposal with regard to transportation.

The governor has a proposed budget of \$6.6 billion for the 2017-19 biennium. As promised, the governor's budget delivers a sustainable, common-sense solution to fix our roads and address Wisconsin's enduring transportation crisis.

The governor's budget will improve pavement conditions throughout the state. It invests \$1.9 billion for the 2019-21 biennium in the State Highway Rehabilitation program. This represents a \$320 million increase. Fixing what we have first is clearly the priority of this budget. The SHR program funds the resurfacing, reconditioning and reconstruction of state highways and bridges.

As you can see by the map these rehabilitation projects will occur throughout all areas of the state. The additional funding will enable the Department to maintain and improve the miles on the 3R system that are in fair and above condition.

The budget invests in locals by increasing the General Transportation Aids to counties, cities villages and towns by 10%. While this will not solve the gaping needs the locals have on their roadways over the next two years it is a significant step in helping them meet their needs and will lessen the pressure on locals to pass local wheel taxes in order to meet their basic maintenance needs.

The budget addresses critical infrastructure and capacity needs on our interstate system in southeast Wisconsin. Under this budget, we will finish what we started and complete the Zoo interchange. Additionally,

the budget calls for the enumeration of I-43 in Milwaukee and Ozaukee Counties.

The budget increases mass transit operating assistance to local governments by 10% and creates a \$10 million capital assistance program to help them with their replacement of buses. In order to attract young talent that we desperately need in Wisconsin, we need to do a better job of providing reliable transit options that so many young people expect and that other states are offering. This increase is a first step in that direction.

The budget also increases the funding for the elderly and disabled program by \$6 million over the biennium. This increase will help our counties keep people in their home rather than having to relocate to much more costly institutional settings. It also helps elderly and people with disabilities maintain their independence and dignity.

The budget increases the Harbor Assistance Program by \$38 million dollars over the previous biennium to provide vital assistance to our state's ports.

The budget provides \$45 million in general fund supported bonding authority for the passenger rail route development program. Among other things this will help to expand service on the hugely successful Hiawatha line and make businesses in Southeast Wisconsin more competitive in attracting talent from the region.

To make these improvements, we need a sustainable revenue source. The budget calls for a modest 0.08 per gallon increase to the gas tax which translates to an additional \$3.30 per month for the average Wisconsin Driver. These funds are constitutionally protected and will be 100% spent on transportation. The combined cost of the gas tax and vehicle registration fees on the average driver in Wisconsin will still be

lower than any of our neighboring states. The budget also calls for eliminating the 9.18% mark-up on fuel which will have the effect of lowering the price of gas and minimizing any of the costs for drivers to an amount even lower than that \$3.30 per month. In addition, the budget calls for a \$10 increase in the fee to obtain vehicle title and increases the registration fees for heavy trucks.

The \$6.6 billion of investment made in this budget to transportation needs is larger than ever before while authorizing the lowest amount of new bonding for highway purposes in the last two decades. Reducing bonding puts us on the right trajectory to reduce our debt service and free more dollars for transportation projects.

In the end this budget delivers a common-sense, sustainable solution for our entire transportation system.

Thank you for your time. I would be happy to take any questions.